

Congress of the United States
Washington, DC 20515

August 29, 2019

The Honorable Adam Smith
Chairman
House Committee on Armed Services
2216 Rayburn House Office Building
Washington, DC 20515

The Honorable Mac Thornberry
Ranking Member
House Committee on Armed Services
2216 Rayburn House Office Building
Washington, DC 20515

The Honorable James Inhofe
Chairman
Senate Committee on Armed Services
228 Russell Senate Building
Washington, DC 20510

The Honorable Jack Reed
Ranking Member
Senate Committee on Armed Services
228 Russell Senate Office Building
Washington, DC 20510

Dear Chairmen Smith and Inhofe and Ranking Members Thornberry and Reed:

As you conference the National Defense Authorization Act for Fiscal Year 2020, we request that you agree to remove section 852 of the House-passed bill, H.R. 2500. Section 852 provides that only “allowed contractors” may be awarded contracts for telecommunications equipment and services to be used in Department of Defense facilities in U.S. Pacific territories. S. 1790, passed by the Senate, contains no such provision.

Allowed contractors are defined in section 852 as those headquartered in the U.S. or in a foreign country that is not an “adversary to the United States,” and not having “significant connections, including ownership interests in, or joint ventures” with foreign companies identified in Public Law 115–232, section 889. Waivers may be granted by the Secretary of Defense.

Section 852 will potentially place well-established, reputable businesses in the U.S. Pacific territories at an unfair disadvantage and stifle competition for DoD telecommunications services and equipment contracts across the Pacific – a region where there are very few capable companies in operation. All foreign-owned telecommunications companies (including U.S. incorporated, wholly-owned subsidiaries with parent companies outside the U.S.) bidding for federal government contracts are already subject to rigorous screening processes with annual recertification requirements conducted by the Department of Justice.

We are concerned that section 852 was included in the bill without consulting our offices although it directly impacts our districts and our constituents. Also, if foreign interference in national security installations is such a security concern, then this provision should apply to all DoD installations worldwide and not just three remote territories in the Pacific. Telecommunications is fundamentally a global venture and the Pacific’s geographic proximity to Asia should not be the determining factor for heightened security measures.

The committee report accompanying H.R. 2500 does contain directive language requiring the Defense Department to identify Chinese-owned telecommunications firms and subsidiaries operating in the territories. If the report confirms that such foreign firms do operate in the

territories and that they clearly pose a threat to telecommunications security on U.S. military installations, we would support such prohibitions on awarding telecommunications contracts to non-U.S. firms, as that proposed in section 852.

Until such time, we respectfully request that section 852 of H.R. 2500 be removed from the final National Defense Authorization Act for Fiscal Year 2020.

Thank you for your consideration.

Sincerely,



GREGORIO KILILI CAMACHO SABLAN
Member of Congress



AUMUA AMATA COLEMAN RADEWAGEN
Member of Congress